

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 863 - HB 1372

March 22, 2021

SUMMARY OF BILL: Expands eligibility requirements for receipt of a General Assembly Merit Scholarship (GAMS) for home school students and students graduating from ineligible high schools by decreasing, from four to two, the required dual enrollment courses and decreasing, from two to one, the number of advanced placement examinations which must be taken.

ESTIMATED FISCAL IMPACT:

**Increase state expenditures- \$24,000/FY21-22/Lottery for Education Account
\$46,000/FY22-23/Lottery for Education Account
Exceeds \$46,000/FY23-24 and Subsequent years/
Lottery for Education Account**

Other Fiscal Impact - Funding in the amount of \$24,000 in FY21-22, \$46,000 in FY22-23 and exceeding \$46,000 in FY23-24 and subsequent years will not be included in the annual statutory transfer of excess lottery funding from the Lottery for Education Account to the Tennessee Promise Scholarship Special Reserve Account.

Assumptions:

- Decreasing the required number of dual enrollment courses and advanced placement examinations will increase the number of recipients qualifying for the GAMS.
- Based on information provided by the Tennessee Student Assistance Corporation (TSAC), an estimated 24 new recipients will qualify for the GAMS under the provisions of the proposed legislation.
- The average GAMS award amount is \$1,000 annually.
- The total increase to state expenditure is estimated to be \$24,000 (24 recipients x \$1,000) in FY21-22.
- According to TSAC, an estimated 91 percent or 22 (24 recipients x 91.0%) students will retain the GAMS in the following academic school year; therefore, the estimated increase in state expenditures is estimated to be \$22,000 (22 recipients x \$1,000) in FY22-23.
- In addition, 24 new students will qualify for the GAMS scholarship in FY22-23, resulting in an increase in state expenditures of \$24,000.

- The total increase in state expenditures in FY22-23 is estimated to be \$46,000 (\$22,000 + \$24,000).
- The increase to state expenditures is estimated to exceed \$46,000 in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/lm